

Company Registration No. 08330514 (England and Wales)

**AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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# AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	B P Wilson B Wileman
<b>Secretary</b>	L Carino
<b>Company number</b>	08330514
<b>Registered office</b>	2 New Star Road Leicester LE4 9JD
<b>Auditors</b>	Ernst & Young LLP No 1 Colmore Square Birmingham B4 6HQ

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# AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED

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# **AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present his strategic report for the year ended 31 December 2022.

#### **Fair review of the business**

The company has received significant dividend and interest income during the year and the financial position of the business is satisfactory.

On 3 August 2022 Ametek Aerospace and Defense Group Limited (AADG) purchased a bonus loan note from Ametek European Holdings Limited. The loan note has a 9 year term and accrues interest at a rate 9.32% per annum. In exchange AADG received an interest-bearing loan (IBL) with a fair market value of \$500,127,671. The IBL has a 10-year term and accrues interest at a rate of 6.75% per annum. On 4 August 2022, Ametek European Holdings Limited assigned the IBL to a fellow subsidiary company, Ametek Global Limited, on the same terms.

On 19 December 2022 the company received £28,663,000 of capital contributions from its parent, Ametek European Holdings Limited,

No specific key performance indicators are given due to the nature of the company's operations. The Income Statement and Statement of Financial Position are set out on pages 9 and 11.

#### **Financial instruments**

The company does not enter into derivative transactions and it is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken.

#### **S172(1) Statement**

A director of a Company must act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so have regard, (amongst other matters), to:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- the need to foster the Company's business relationships with the Group's suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

In discharging his Section 172 duties the director of the Company considers that he has had regard in material respects to the factors set out above.

The key stakeholders of the Company are the Group (AMETEK Inc and its global subsidiaries), the Group's employees, and, as the parent of the main contracting subsidiary for the UK Group of companies, some of the Group's suppliers and business partners.

As part of the Group, stakeholder engagement, including engagement with lending institutions and some regulatory authorities, takes place at a group level. The company looks to the global position for guidance and takes this into account as part of its decision making process when seeking to promote the success of the company for the benefit of all its stakeholders. The Company follows Group policies and procedures, including those relating to standards of business conduct, employees, the environment, the community, and other stakeholders. More detail regarding the Group's oversight of and responsibility for these policies is set out on page 35 of AMETEK Inc's Form 10-K for 31 December 2022.

Board meetings are held periodically where the director considers business such as inter-company agreements, acquisitions and compliance requirements. In considering items of business the Company makes autonomous decisions on each transaction's own merits, after consideration of the long term success of the Company, Section 172 factors, where relevant, and the stakeholders impacted.

# AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED

## STRATEGIC REPORT (CONTINUED)

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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As regards principal decisions during the year, dividends were paid as detailed in the Directors' Report, providing return on investment for the Company's shareholder while taking into account the Company's ongoing financial position and other stakeholders, including level of distributable reserves, available cash and potential impairment risks.

On behalf of the board

DocuSigned by:

*Bruce Wilson*

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B P Wilson

**Director**

27 September 2023

# **AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Company Registration No. 08330514**

The directors present their report for the year ended 31 December 2022.

### **Principal activities**

The principal activity of the company during the year was that of a holding company.

### **Directors**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

B P Wilson

B Wileman

(Appointed 1 December 2022)

### **Results and dividends**

The results for the year are set out on page 9.

The company made distributions amounting to £2,700,000 (2021: £9,863,000) during the year.

### **Directors' insurance**

AMETEK Inc. has indemnified the director of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the period and remains in place to the date of this report.

### **Going concern**

Historically, the Company has seen minimal net cash inflows or outflows with dividend income and dividends payable being settled through inter-company balances rather than cash settled. A group restructuring exercise has taken place during 2022 which has resulted in the Company acquiring a fixed rate bonus loan receivable of \$500,000,000 for consideration of an interest bearing loan of \$500,127,671. The fixed rate bonus loan note is owed to the Company by Ametek International Limited, the interest bearing loan is owed by the Company to Ametek Global Limited.

The bonus loan note, together with the fixed rate income on this loan note is due for settlement to the Company in 2031. The finance costs associated to the interest-bearing loans, which are at a rate of 6.75%, are due to be settled annually. This increases the forecast cash outflows of the Company in the 12 months following approval of these financial statements.

The Directors have prepared a cash flow forecast for the period through until 30 September 2024. These forecasts show that the cash outflows are at a level in excess of historical dividend income within the Company. As a result of this the Directors have sought, and obtained, written confirmation from their immediate parent undertaking, Ametek European Holdings Limited, that they will provide the necessary support to allow the Company to meet their liabilities as they fall due for a period until 30 September 2024. In considering the ability of Ametek European Holdings Limited to provide such support, the Directors note Ametek European Holdings Limited controls its wholly owned subsidiary, Ametek Global Limited, to whom the Company will owe the interest on the acquired interest bearing loans.

On the basis of the assessments made, including obtaining the aforementioned letter of support from Ametek European Holdings Limited, the Directors have concluded it is appropriate for the financial statements to be prepared on a going concern basis.

### **Financial instruments**

Details of financial instruments are provided in the strategic report on page 1.

# **AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **Employee involvement**

It is the group's policy to keep employees fully informed of matters affecting them as employees and to make them aware of the financial and economic factors influencing company performance. Encouragement is given to employees to contribute towards the group's financial performance by means of an annual bonus scheme and share scheme for certain employees.

### **Community and environment**

The group is fully committed to pursuing the best environmental practice and conducting its activities in a way that fully recognises its responsibilities to the environment.

### **Post reporting date events**

The company has received interim dividends amounting to £2,650,000 in respect of the year ending 31 December 2023 since 31 December 2022.

The company has received a capital contribution of £41,183,000 from its parent AMETEK European Holdings Limited.

### **UK Streamlined Energy and Carbon Reporting (SECR)**

The company has complied with the UK Streamlined Energy and Carbon Reporting (SECR) requirements along with other UK entities that are part of the UK organisational structure of AMETEK Inc. The relevant information is reported within the top UK holding company in the AMETEK Group, being AMETEK International Limited.

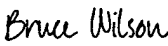
### **Auditor**

The auditor, Ernst & Young LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as the director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director individually has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

DocuSigned by:  
  
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B P Wilson

**Director**

27 September 2023

# **AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# **AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED**

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#### **Opinion**

We have audited the financial statements of AMETEK Aerospace and Defense Group UK Limited for the year ended 31 December 2022 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months through until 30 September 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

#### **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

# **AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED

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***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety and GDPR.
- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management and those charged with governance. Due to the nature of the Company as an intermediate holding company no risks of material misstatement due to fraud were identified.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations and to respond to the assessed risks. Our procedures included reviewing Board of Directors meeting minutes, verifying that material transactions are recorded in compliance with FRS 102 and where appropriate Companies Act 2006 and enquiries with those charged with governance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Kirk (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP  
Statutory Auditor  
Birmingham

*Ernst & Young LLP*

.....  
Date: 27<sup>th</sup> September 2023

**AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED****INCOME STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £'000	2021 £'000
Administrative expenses		(387)	-
Income from fixed asset investments	6	25,763	12,530
Interest payable and similar expenses	7	(12,555)	(314)
<b>Profit before taxation</b>		<b>12,821</b>	<b>12,216</b>
Taxation	8	-	-
<b>Profit for the financial year</b>		<b>12,821</b>	<b>12,216</b>

The income statement has been prepared on the basis that all operations are continuing operations.

# AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £'000	2021 £'000
Profit for the year	12,821	12,216
Other comprehensive income	-	-
Total comprehensive income for the year	<u>12,821</u>	<u>12,216</u>

**AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

	Notes	2022 £'000	£'000	2021 £'000	£'000
<b>Fixed assets</b>					
Investments	10		127,553		127,553
<b>Current assets</b>					
Debtors falling due after one year	11	451,997		-	
Cash at bank and in hand		331		-	
		<u>452,328</u>		<u>-</u>	
<b>Creditors: amounts falling due within one year</b>	12	(668)		(108)	
<b>Net current assets/(liabilities)</b>			451,660		(108)
<b>Total assets less current liabilities</b>			<u>579,213</u>		<u>127,445</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(441,125)		(28,141)
<b>Net assets</b>			<u>138,088</u>		<u>99,304</u>
<b>Capital and reserves</b>					
Called up share capital	14		-		-
Capital contribution reserves	15		28,663		-
Profit and loss reserves	16		109,425		99,304
<b>Total equity</b>			<u>138,088</u>		<u>99,304</u>

The financial statements were approved by the board of directors and authorised for issue on 27 September 2023 and are signed on its behalf by:

DocuSigned by:

*Bruce Wilson*

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B P Wilson

Director

Company Registration No. 08330514

# AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £'000	Share premium account £'000	Capital contribution reserves £'000	Profit and loss reserves £'000	Total £'000
<b>Balance at 1 January 2021</b>		-	11,606	-	85,345	96,951
<b>Year ended 31 December 2021:</b>						
Profit and total comprehensive income for the year		-	-	-	12,216	12,216
Dividends	9	-	-	-	(9,863)	(9,863)
Reduction of shares		-	(11,606)	-	11,606	-
<b>Balance at 31 December 2021</b>		-	-	-	99,304	99,304
<b>Year ended 31 December 2022:</b>						
Profit and total comprehensive income for the year		-	-	-	12,821	12,821
Dividends	9	-	-	-	(2,700)	(2,700)
Capital contribution	15	-	-	28,663	-	28,663
<b>Balance at 31 December 2022</b>		-	-	28,663	109,425	138,088

# AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

##### Company information

AMETEK Aerospace and Defense Group UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2 New Star Road, Leicester, LE4 9JD.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. The financial statements were approved for issue on the date shown on the statement of financial position.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements;

- The requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including;
  - categories of financial instruments
  - items of income, expenses, gains or losses relating to financial instruments and
  - exposure to and management of financial risks
- related party transaction disclosures including (i) transactions with wholly owned subsidiaries of the AMETEK Inc group and (ii) disclosures related to key management remuneration.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

AMETEK Aerospace and Defense Group UK Limited is a wholly owned subsidiary of AMETEK Inc and the results of AMETEK Aerospace and Defense Group UK Limited are included in the consolidated financial statements of AMETEK Inc which are available from PO Box 36, 2 New Star Road, Leicester LE4 9JQ



# AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

##### 1.2 Going concern

Historically, the Company has seen minimal net cash inflows or outflows with dividend income and dividends payable being settled through inter-company balances rather than cash settled. A group restructuring exercise has taken place during 2022 which has resulted in the Company acquiring a fixed rate bonus loan receivable of \$500,000,000 for consideration of an interest bearing loan of \$500,127,671. The fixed rate bonus loan note is owed to the Company by Ametek International Limited, the interest bearing loan is owed by the Company to Ametek Global Limited.

The bonus loan note, together with the fixed rate income on this loan note is due for settlement to the Company in 2031. The finance costs associated to the interest-bearing loans, which are at a rate of 6.75%, are due to be settled annually. This increases the forecast cash outflows of the Company in the 12 months following approval of these financial statements.

The Directors have prepared a cash flow forecast for the period through until 30 September 2024. These forecasts show that the cash outflows are at a level in excess of historical dividend income within the Company. As a result of this the Directors have sought, and obtained, written confirmation from their immediate parent undertaking, Ametek European Holdings Limited, that they will provide the necessary support to allow the Company to meet their liabilities as they fall due for a period until 30 September 2024. In considering the ability of Ametek European Holdings Limited to provide such support, the Directors note Ametek European Holdings Limited controls its wholly owned subsidiary, Ametek Global Limited, to whom the Company will owe the interest on the acquired interest bearing loans.

On the basis of the assessments made, including obtaining the aforementioned letter of support from Ametek European Holdings Limited, the Directors have concluded it is appropriate for the financial statements to be prepared on a going concern basis.

##### 1.3 Income from fixed asset investments

Income from fixed asset investments represents dividends from subsidiary undertakings. Income is recognised when the company's right to receive payment is established.

Interest income, including income arising from other financial instruments, is recognised using the effective interest method.

##### 1.4 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date. The recoverable amount is calculated as the higher of the fair value less costs to sell and the value in use. Where there are indicators of impairment of individual assets, the company performs impairment tests based on a value in use calculation. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. Any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### 1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

##### 1.6 Financial assets

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Loans and receivables*

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### *Impairment of financial assets*

Financial assets, other than those held at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

##### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### 1.7 Financial liabilities

Basic financial liabilities (which relate to amounts due to group undertakings) are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. After initial recognition, they are measured at amortised cost using the effective interest rate method, less impairment.

# AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

### 1.9 Taxation

The tax expense represents the sum of the current and deferred tax expense.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

-where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination, a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and

-unrelieved tax losses and other deferred assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax shall be recognised when income and expenses from a subsidiary has been recognised in the financial statements, and will be assessed to, or allowed for tax in a future period except where:

-the reporting entity is able to control the reversal of the timing difference;and

-it is probable that the timing difference will not reverse in the foreseeable future.

#### 1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

#### 2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. The following are considered to have the most significant effect on the amounts recognised in the financial statements:

- Fixed asset investments- The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

#### 3 Profit before taxation

Auditors' remuneration of £5,000 (2021: £5,000) is borne by a fellow group company.

**AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****4 Employees**

There were no employees during the year apart from the director (2021: nil).

<b>5 Directors' remuneration</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Remuneration for qualifying services	188	718
Company pension contributions to defined contribution schemes	4	4
	<u>          </u>	<u>          </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

Remuneration and retirement benefit contributions are met by a fellow subsidiary undertaking.

The number of directors who exercised share options during the year was 1 (2021 - 1).

The number of directors who received shares under long term incentive schemes during the year was 1 (2021 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	<b>2022 £'000</b>	<b>2021 £'000</b>
Remuneration for qualifying services	188	718
Company pension contributions to defined contribution schemes	4	4
	<u>          </u>	<u>          </u>

The highest paid director has exercised share options during the year.

The highest paid director has received shares under a long term incentive scheme during the year.

B P Wilson is also a director of other subsidiary companies within the AMETEK group and his emoluments in respect of qualifying services to these companies are disclosed in these relevant subsidiaries to the extent that his qualifying services can be attributed to these subsidiaries.

B Wileman is remunerated by other group companies and his roles performed for the Company is considered incidental to the wider group roles and accordingly no costs for his services have been recharged to the Company.

<b>6 Income from fixed asset investments</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
<b>Interest income</b>		
Interest receivable from group companies	16,663	-
Income from shares in group undertakings	9,100	12,530
	<u>          </u>	<u>          </u>
Total interest receivable and similar income	25,763	12,530
	<u>          </u>	<u>          </u>

# AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 7 Interest payable and similar expenses

	2022 £'000	2021 £'000
Interest payable to group undertakings	12,555	314

#### 8 Taxation

	2022 £'000	2021 £'000
UK corporation tax on profits for the current period	-	-
Total tax	-	-

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £'000	2021 £'000
Profit before taxation	12,821	12,216
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	2,436	2,321
Tax effect of income not taxable in determining taxable profit	(3,166)	-
Unutilised tax losses carried forward	2,459	60
Dividend income not taxable	(1,729)	(2,381)
Taxation for the year	-	-

There is a deferred tax asset amounting to £3,235,000 (2021:£434,000) which has not been recognised in the financial statements because the company is unlikely to be able to utilise the losses in future periods.

#### Factors that may affect the future tax charge

The company's profits for this accounting period are taxed at a rate of 19%. In his Spring 2023 Budget statement on 15 March 2023, the Chancellor of the Exchequer confirmed that the main corporation tax rate would increase from 19% to 25% with effect from 1 April 2023. Deferred tax balances have been stated at 25%.

#### 9 Dividends

	2022 £'000	2021 £'000
Ordinary paid	2,700	9,863

# AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 Fixed asset investments

	Notes	2022 £'000	2021 £'000
Investments in subsidiaries	19	127,553	127,553

#### Movements in fixed asset investments

	Shares in group undertakings £'000
<b>Cost or valuation</b>	
At 1 January 2022 & 31 December 2022	127,553
<b>Carrying amount</b>	
At 31 December 2022	127,553
At 31 December 2021	127,553

### 11 Debtors

	2022 £'000	2021 £'000
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	451,997	-

The amounts owed by group undertakings include a bonus loan note for \$500,000,000 due from Ametek International Limited. The loan note has a 9 year term and accrues interest at a rate of 9.32% per annum.

£21,928,000 is due from Tubes Holdco Limited and carries interest at a rate of 3 Month USD SOFR plus 150 basis points

### 12 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Amounts due to fellow subsidiary undertakings	668	108

### 13 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Amounts due to fellow subsidiary undertakings	441,125	28,141

The amount due to fellow subsidiary undertakings includes an interest-bearing loan (IBL) with a fair market value of \$500,127,671. The IBL has a 10 year term and accrues interest at a rate of 6.75% per annum.

# AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 14 Share capital

	2022 £'000	2021 £'000
Ordinary share capital		
Allotted, issued and fully paid		
102 Ordinary shares of £1 each	-	-
	<u>          </u>	<u>          </u>

#### 15 Capital contribution reserves

This reserve records amounts contributed to the Company as equity in addition to share capital.

#### 16 Profit and loss reserves

This account includes all current and prior period retained profits and losses.

#### 17 Related party transactions

The related party transactions are disclosed in notes 11, 12 and 13.

#### 18 Events after the reporting date

The company has received interim dividends amounting to £2,650,000 in respect of the year ending 31 December 2023 since 31 December 2022.

The company has received a capital contribution of £41,183,000 from its parent AMETEK European Holdings Limited.

#### 19 Subsidiaries

These financial statements are separate company financial statements for AMETEK Aerospace and Defense Group Limited.

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking and address of registered office	Class of shareholding	% Held
AMETEK Airtechnology Group Limited 2 New Star Road, Leicester LE4 9JD, England	Ordinary	100
AEM Limited 2 New Star Road, Leicester LE4 9JD, England	Ordinary	100
Muirhead Aerospace Limited 2 New Star Road, Leicester LE4 9JD, England	Ordinary	100

AMETEK Airtechnology Group Limited is involved in specialist engineering for the aerospace, defence and rail industries, the design and manufacture of precision and motion control products and the design, manufacture and sale of track balls and other cursor controlled products.

AEM Limited is involved in the repair, overhaul, modification and testing of aircraft components.

Muirhead Aerospace Limited is involved in the supply, repair and overhaul of avionics equipment for the aerospace industry.



# **AMETEK AEROSPACE AND DEFENSE GROUP UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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### **20 Ultimate controlling party**

The immediate parent company is AMETEK European Holdings Limited, a company registered in England and Wales, and the ultimate parent company is AMETEK Inc., a company incorporated in the United States of America.

AMETEK Inc. prepares group financial statements which include the company and are the smallest and largest consolidated accounts that the company is included in, and copies can be obtained from 2 New Star Road, Leicester, LE4 9JD.